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No. 95-2033

IN THE
Supreme Court of the United States
OCTOBER TERM, 1996

BP CHEMICALS LIMITED and
STERLING CHEMICALS, INC.,
Petitioners,

v.

HOECHST CELANESE CORPORATION,
Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY BRIEF OF PETITIONERS

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REPLY BRIEF OF PETITIONERS

Contrary to respondent's characterization, BP's petition raises an issue of far broader significance than the meaning of the term "dimension" in the patent under consideration. The petition demonstrates the need for this Court to address a recurring source of significant uncertainty in the patent system—fundamentally inconsistent methods of claim interpretation. After finding that the information in the patent document and all other objective evidence were inconclusive as to the meaning of the patent claim, the Federal Circuit adopted wholesale the inventor's self-serving testimony as to his intended meaning. In doing so, the Federal Circuit undermined this Court's ongoing efforts to ensure predictability and certainty in the patent system, as reflected in its decision in *Markman* v. *Westview Instruments, Inc.*, 116 S. Ct.

1384 (1996), and its grant of certiorari in *Warner-Jenkinson Co.* v. *Hilton Davis Chemical Co.*, No. 95-728 (granted Feb. 26, 1996).[1] Indeed, recent post-*Markman* decisions from the Federal Circuit and district courts reveal ever-widening disagreement and confusion about the appropriateness of using such testimony.

In the recently decided case of *Exxon Chemical Patents, Inc.* v. *Lubrizol Corp.*, 64 F.3d 1553 (Fed. Cir. 1995), *reh'g denied*, 77 F.3d 450 (1996), *cert. denied*, 1996 U.S. LEXIS 4105 (June 24, 1996), for example, the three judges on the panel wrote separate opinions reflecting conflicting views concerning the proper treatment of evidence of the inventor's subjective, intended meaning of the patent claims. The majority refused to construe the claims as intended by the inventor, stating that the patentee cannot "escape from the flaws in its claim drafting." *Id.* at 1561 (Clevenger, J.). The concurring opinion, quite consistent with the Federal Circuit's decision in *Markman* but inconsistent with that court's decision in this case, see Pet. 15-16, elaborated that courts "are not free to read the claims as they might have been drafted, even if as drafted they do not accomplish what the inventor may have intended. . . . There is no room in patent claim interpretation for the equivalent of the *cy pres* doctrine." 64 F.3d at 1563 (Fed. Cir. 1995) (Plager, J., concurring); see *id.* ("The public generally, and in particular, the patentee's competitors, are entitled to clear and specific notice of what the inventor claims as his invention."). The dissenting opinion, by contrast, explicitly relied upon the subjective testimony of the patent practitioner who drafted the patent application relating to his understanding of the standard claim format for the technology at issue. *Id.* at 1567 (Nies, J., dissenting).

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[1] It goes without saying that claim scope is not merely critical to infringement determinations, but is important to all phases of patent litigation, including validity and equivalency issues.

Because of the hopeless lack of clarity within the Federal Circuit,[2] the district courts are badly divided and in need of guidance from this Court. Some district courts have allowed reliance on subjective inventor testimony. See, *e.g.*, *Johns Hopkins Univ.* v. *CellPro*, 894 F. Supp. 819, 827 (D. Del. 1995) (considering the inventor's testimony regarding his intended meaning of the claims and stating that the court's analysis was guided by *Markman*); *Moll* v. *Northern Telecom Inc.*, 1995 U.S. Dist. LEXIS 18314, at *13, *26, 37 U.S.P.Q.2d (BNA) 1839, 1843, 1846 (E.D. Pa. Dec. 8, 1995) (noting the *Markman* "ruling that an inventor's testimony is entitled to 'no deference,'" but relying on a pre-*Markman* case to conclude that "[a] court may utilize an inventor's deposition testimony in determining the meaning of patent claims") (citing *Jonsson* v. *The Stanley Works*, 903 F.2d 812, 820-21 (Fed. Cir. 1990)); *Michaels* v. *Art Betterley Enters., Inc.*, 1995 U.S. Dist. LEXIS 18609, at *40-*41 (W.D.N.Y. Dec. 8, 1995) (unpublished opinion) (relying on the claim construction testimony of the attorney who had drafted the patent application). Other district courts flatly have refused to consider inventor testimony regarding the intended meaning of the claim. See, *e.g.*, *California Medical Prods., Inc.* v. *Technol Medical Prods., Inc.*, 921 F. Supp. 1219, 1235 (D. Del. 1995) (stating that the inventor's testimony on what the claim was intended to cover "is precisely the sort of extrinsic evidence which the *Markman* decision found was not to be considered in construing patent claims"); *Ultradent Prods., Inc.* v. *Life-Like Cosmetics, Inc.*, 924 F. Supp. 1101, 1109 (D. Utah 1996) (refusing to construe claim as applicant intended it to be construed).

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[2] *See generally Judges Speak Out on Perception of CAFC*, 50 Pat. Trademark & Copyright J. (BNA) 412 (Aug. 17, 1995) (noting Judge Michel's observations that the *Markman* ruling left several questions unresolved and that "[i]n leaving those questions unresolved, the Federal Circuit has eschewed its supervisory role of trial judges").

Respondent does not, and indeed cannot, dispute the fundamental importance of the claim interpretation issues raised in the petition. Nor does respondent dispute the pervasive nature of the conflict within the Federal Circuit regarding how courts should treat subjective inventor testimony in construing patent claims. Instead, respondent makes several arguments attempting to demonstrate that the claim interpretation issues are not presented in this case. These arguments are meritless. This case is the appropriate and compelling vehicle for addressing the significant issues raised in the petition.

1. Respondent first argues that the claim interpretation issues relating to the "fair notice" function of 35 U.S.C. § 112 are not presented in this case because petitioners stipulated in the pretrial order that the provisions of section 112 were satisfied. Opp. 17-18. This argument is a red herring. Petitioners are not, as respondent contends, suggesting that their "stipulation should be excused." *Id.* at 18. Consistent with the stipulation, petitioners are not challenging the validity of the patent on the ground that it fails to satisfy section 112.

The question remains, however, how the claims in the patent should be interpreted. Petitioner's position is that the Federal Circuit's reliance on subjective extrinsic evidence to expand the scope of the patent contravenes the "fair notice" principles underlying section 112, which place the burden on patentholders to provide in the patent itself clear notice to the public of the precise nature of their claimed inventions. See Pet. 16. Since the inventor's subjective intent is not available to the public on the face of the patent or in its file history, judicial reliance on it to broaden patent claims undermines the requirement that the patent documents provide fair notice to the public of the scope of the invention. Accordingly, the principles underlying section 112 dictate that when patent documents are susceptible of more than one plausible interpretation, the court should adopt the narrowest inter-

pretation to ensure that good-faith inventors do not inadvertently infringe another's patent. *Athletic Alternatives, Inc.* v. *Prince Mfg., Inc.*, 73 F.3d 1573, 1581 (Fed. Cir. 1996). Petitioners' stipulation simply has no bearing on these claim interpretation issues, which are squarely presented in this case.[3]

Respondent's reliance upon the stipulation is telling. As the *amicus* brief of Union Carbide demonstrates, the finding of infringement in this case demonstrates plainly how, under the Federal Circuit's approach in this case, patent law is a trap even for the wary, let alone for the unwary. Even when sophisticated analysts devote significant time and resources to attempting in good faith to devise non-infringing solutions, they still can be exposed to enormous risks of litigation and damages based ultimately on a subjective expansion of the meaning of terms that have narrower objective meanings. See Amicus Brief of Union Carbide at 3-7. Given the importance of patent law to the nation's business, this state of affairs is intolerable. What makes it doubly intolerable is that the risks depend completely on the district court in which the patentee chooses to bring the litigation and then the panel of the Federal Circuit that happens to hear the appeal.

2. Respondent next argues that the issues raised in the petition are not properly presented in this case because the Federal Circuit correctly construed the term "dimension" in the patent. Opp. 19-24. Much of respondent's brief merely revisits the expert testimony and dictionary definitions proffered in favor of its interpretation of the term, which the Federal Circuit found to be inconclusive,

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[3] Respondent also suggests that petitioners somehow are foreclosed from asserting that they acted in good faith because the petition does not explicitly challenge the finding of willful infringement. Opp. 18-19. This argument is absurd, however, because petitioners' challenges to the judgment of infringement undermine any basis for the finding of willful infringement.

see Pet. 6-7—a factual conclusion that is not subject to review by this Court.[4]

In addition, respondent argues that no issue concerning the use of subjective inventor testimony is presented in this case because the Federal Circuit merely considered the inventor's testimony "in the context of his being an expert in the field." Opp. 21. This assertion simply is untenable in light of the record in this case and in no way limits the harm in allowing inventor testimony to be used to interpret the relevant claims. Virtually any inventor could qualify as an "expert." Moreover, the Federal Circuit concluded that the testimony of the parties' technical experts was "sharply in conflict," and thus did not establish a dispositive meaning of the disputed patent terms. Pet. App. 6a. Only after reviewing all of the objective evidence, which the court found to be inconclusive, did it turn to the inventor's testimony. This testimony did not merely address the accepted meaning of technical terms in the field of the invention, but rather *the inventor's* subjective understanding of what the terms in the patent "meant." *Id.* at 7a.[5] Moreover, the court

[4] In a rather perplexing passage, respondent attempts to rehabilitate the view of the Federal Circuit that under petitioners' interpretation of the patent, the resin listed in the patent as the "preferred embodiment" for the invention would be excluded from coverage. Opp. 23. Petitioners demonstrated, Pet. 12-13 n.6, that this erroneous view is based on testing that should have been irrelevant to the claim interpretation process because it was performed years after the claim had been drafted. In any event, the inventor conceded at trial that the preferred resin was within the patent language, which specifies that the resin may not change more than *about* 50% of its dimension, *even under petitioners' tests*. Respondent's attempt to dismiss the inventor's concession as "not remarkable," Opp. 23, is wholly unpersuasive because that testimony completely undermines any basis in the record for the Federal Circuit's view.

[5] The Federal Circuit also relied on the following exchange from the inventor's cross-examination:

[Footnote continued]

cited with approval a decision crediting a "particular inventor's declaration as to claim meaning." *Id.* at 8a (citing *Palumbo* v. *Don-Joy Co.*, 762 F.2d 969, 976 (Fed. Cir. 1985), *overruled on other grounds, Markman*, 52 F.3d at 979). Thus, the Federal Circuit expressly relied on the inventor's intent in drafting the patent at issue, rather than any general knowledge as an expert in the field of the invention. Accordingly, the issue relating to the use of subjective inventor testimony raised in the petition is squarely presented in this case.

Respondent also repeats the Federal Circuit's bland assertion that it merely treated the inventor's testimony as "cumulative" to the other evidence. Opp. 14. Respondent's effort to hide behind this statement cannot conceal that the court's comment is utterly belied by the fact that it found all of the other objective evidence to be inconclusive. See Pet. 11-12 n.5. This Court is fond of noting that it reviews judgments, not opinions, and here it is clear that the only rule of law that supports the judgment of affirmance is one that depends upon the subjective intent of the inventor concerning the pivotal language in the patent claim. Thus, the inventor testimony clearly was dispositive in this case and the Court should review the propriety of the Federal Circuit's use of that evidence in construing the patent claim.

3. Finally, respondent argues that this Court has no reason to address the second question presented in the petition concerning the doctrine of equivalents because the finding of literal infringement is sufficient to uphold the judgment. Opp. 24-26. Respondent wholly fails to

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[5] [Continued]

> Q: When did you first form a view that dimension means something other than volume dimension, dimension in this definition of stable?
>
> A: I have never thought of volume as being a dimension.

Id. at 8a.

address, however, petitioners' analysis of the possible impact of *Hilton Davis* on the issues presented in the petition. Pet. 19-21.[6]

As demonstrated in the petition, the prudent course of action at this time is for the Court to hold the petition until after *Hilton Davis* is decided. At a minimum, the Court's analysis in *Hilton Davis* concerning the proper role of notice in patent law significantly will affect the proper disposition of the first question presented in the petition, which bears on whether the judgment of infringement is sustainable under a theory of literal infringement. Moreover, the *Hilton Davis* decision directly will affect the proper disposition of the second question presented in the petition, which addresses whether the verdict is sustainable under a theory of infringement under the doctrine of equivalents. If this Court in *Hilton Davis* abolishes the doctrine of equivalents, narrows the doctrine, or deems it to be an equitable remedy to be decided by the court, then the doctrine cannot serve as a valid legal basis for upholding the jury verdict of infringement in this case. Given the realistic likelihood of each of these possible outcomes, it simply makes no sense to act on this petition before *Hilton Davis* is decided. In sum, the *Hilton Davis* decision will almost certainly bear on whether either of the Federal Circuit's theories for upholding the jury verdict of infringement in this case is sustainable.

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[6] Respondent does not dispute petitioners' argument that the Federal Circuit erred in concluding that petitioners waived the equivalents issue by filing a motion for directed verdict of noninfringement that did not specifically identify the equivalents issue. Petitioners demonstrated that the Federal Circuit has held in previous decisions that a motion for directed verdict of noninfringement necessarily encompasses both literal infringement and infringement under the doctrine of equivalents. Pet. 19-20 n.8. Recently, the Federal Circuit unequivocally reaffirmed that principle in *Texas Instruments Incorporated* v. *Cypress Semiconductor Corporation et al.*, 1996 U.S. App. LEXIS 18143, at *21 n.6 (Fed. Cir. July 19, 1996).

Therefore, the proper disposition of this petition will be enhanced significantly if the Court's decision is informed by the teachings of *Hilton Davis*. Once *Hilton Davis* is decided, the Court can decide whether to grant the petition, or to remand to the Federal Circuit in light of that decision.

CONCLUSION

For the foregoing reasons, and for the reasons stated in the petition, the Petition for Writ of Certiorari should be held pending the disposition of *Hilton Davis*, or alternatively, the Court should grant the petition.

Respectfully submitted,

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